

## Time to Weigh in on the Bay's Future

The Humboldt Bay Harbor, Recreation and Conservation Commission to which I was elected last year will soon make critical decisions that may lock us onto a course of large scale Port of Humboldt Bay development for decades. Concerned citizens need to weigh in now with regard to proposals to develop a container terminal in Samoa and to pursue international capital to finance it.

The Commission will make three decisions soon and public comment is invited for each: 1) budget approval for the 2008-09 fiscal year, 2) consideration of adoption of the *Redwood Marine Terminal Business Plan*, and 3) whether to sign a contract with Goldman Sachs to auction Port assets. This latter agreement would entail an even closer relationship between the Bay District and the North Coast Railroad Authority, which also would have to agree to a long-term lease of railroad assets.

The Commission will consider passing the 2008-09 budget on July 9. I have previously expressed my concerns about the budget in a presentation and in written comments. We have a negative cash flow, including losses in the upcoming year of nearly \$600,000, caused by investments in Port development that have not brought economic return. If we continue to invest in and promote the idea of large scale shipping in Humboldt Bay and there are no tariffs or income within 5-7 years, the District will face insolvency.

On June 26, the consulting firm TranSystems presented the *Draft Redwood Marine Terminal Business Plan* to a packed house at the Wharfinger Building. Their report does not show tangible prospects for profitable operation, yet they recommend that the District take on \$32-38 million in bond debt to build a multi-purpose terminal anyway. Positive cash flow in the report is based such unlikely prospects as dozens of cruise ships a year coming into Humboldt Bay, when only two have come in the last five years. Shipping tariffs and dockage fees associated with large-scale terminal development are similarly fabricated.

The Plan recommends that the District attract capital for container port infrastructure by becoming a Port landlord, which is the framework that would allow Goldman Sachs to auction our assets in combination with those of the railroad. The public can comment on the *Plan* at the upcoming meetings on July 9 and July 24 and provide written comments through July 26 (via email at [dhull@portofhumboldtbay.org](mailto:dhull@portofhumboldtbay.org)). Adoption of the amended final report is likely to come at the end of August. The Plan can be viewed on-line at [www.humboldtbay.org](http://www.humboldtbay.org).

The Commission on May 22 authorized District staff and counsel to begin negotiation for creating an agreement with Goldman Sachs engaging them as our sales agent to find Port investors. In order for them to auction off use of the Redwood Marine Terminal and NCRA assets, full environmental review of Bay and rail corridor impacts must be completed and development approved by government agencies. The agreement with Goldman Sachs is also likely to be considered at the end of August. I will be

recommending that we hold off on any formal agreement until the environmental analysis has been completed.

At the June 26 meeting, at least 100 new people came and respectfully addressed our Commission regarding reservations about container ships, the railroad and Goldman Sachs. My hope is that hundreds more will turn out for our next meetings so my fellow Commissioners understand the depth and breadth of public sentiment on the core issues they are considering and the how their neighbors feel about the economic viability of Port development.

Commission meetings are normally held at Woodley Island Marina on the second and fourth Thursdays of the month, which will be the 14<sup>th</sup> and 24<sup>th</sup> of August. You can reach me via email at [phiggins@humboldt1.com](mailto:phiggins@humboldt1.com).